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From: duanehovorka@alltel.net
Sent: Tuesday, October 05, 2004 7:05 PM
To: FarmBillRules
Subject: Conservation Security Program comments

Attachments: CSP Interim Final Rule Comments.doc



CSP Interim Final
Rule Comment..

Attached as a Word document, and reproduced below in case the attachment is a problem, are the comments of the Nebraska Wildlife Federation on the USDA Interim Final Rules on the Conservation Security Program.

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October 5, 2004

Craig Derickson, CSP Program Manager
Natural Resources Conservation Service
US Department of Agriculture
Washington, DC

VIA Email: FarmBillRules@USDA.gov

Comments of the Nebraska Wildlife Federation on USDA's Conservation Security Program
Interim Final Rules

Dear Mr. Derickson,

I am writing to provide the comments of the Nebraska Wildlife Federation, a state-wide non-profit organization dedicated to Nebraska's wildlife and wild places through environmental education, fish and wildlife conservation, and common sense public policy.

First, let me express our profound disappointment that USDA chose to largely ignore the many comments submitted by conservation organizations, sustainable farming organizations, and farmers on the USDA's draft Conservation Security Program rules. The response to the USDA's request for comments was overwhelming, both in number and in the consistency of their message: that USDA needed to fix major flaws in the draft rules.

Unfortunately, the Interim Final Rules that were issued largely ignore the fundamental changes that were and are needed, and that were supported by the vast majority of people who responded with comments to the draft rule.

We have little doubt that USDA will get far fewer comments on its Interim Final Rule, but do not make the mistake of assuming that the reduction in comment numbers is an indication of the level of satisfaction with the Interim Final Rules. Rather, you should assume that farmers and others judged that because USDA largely ignored their earlier comments on the major revisions needed, there was little point in providing additional comments on the same shortcomings in the Interim Final Rule that were present in the Draft Rule.

Despite sharing that view that these comments will also likely be ignored, we are providing you with them anyway in the desperate hope that USDA will find the will to implement the Conservation Security Program as it was intended by its creators, and as it

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was enacted by Congress. We consider ourselves as being among the former group, as we participated in a number of conferences, meetings, and discussions with other organizations and individuals that culminated with the outline of a proposal that became the Conservation Security Act, and ultimately the Conservation Security Program as part of the 2002 Farm Bill.

In summary, the USDA's Interim Final Rules fail to adequately reward farmers employing, and willing to adopt, proven conservation systems and practices that enhance soil and water quality. Systems that provide multiple benefits like resource conserving crop rotations, rotational managed grazing, and organic farming methods, should be better rewarded and encouraged by the Program. Instead of the nationwide CSP open to all farmers, the Bush Administration has given us a highly restricted program that will reach only selected farmers in designated watersheds.

The Conservation Security Program, if properly administered, has tremendous potential to reward farmers based on how well they are protecting and improving the environment, and to begin to offset the strong incentives that commodity programs provide to maximize production of corn, soybeans, wheat, cotton and rice. Unfortunately, the USDA's CSP rules fail to reach that potential, and in doing so fail meet the needs of America's farmers, rural communities, and natural resources.

Administer CSP as a Nationwide Program, as was Intended by Congress

Congress did not intend or authorize USDA to make the CSP available only in selected watersheds, and only on a rotating basis where farmers may have to wait 8 years or more for their chance to enroll or re-enroll in the program. It clearly intended the CSP to be a nationwide program, available to all farmers willing to meet its requirements. Congress also prohibited USDA from employing a "bidding process" to deny CSP benefits to some farmers and ranchers, yet USDA intends to do just that through the use of "enrollment categories" that will selectively exclude farmers from the CSP.

USDA's proposed administration of the program is particularly short-sighted when it comes to the re-enrollment of CSP contracts.

Although Tier I contracts will be limited to 5 years, USDA proposes that those contracts will not be eligible for automatic upgrade or re-enrollment for additional years once the 5-year contract is up. Yet USDA's proposed administration under an 8-year rotating watershed basis means that farmers with expiring CSP contracts may have to wait three years to re-enroll in the program. In the interim, substantial conservation benefits (and the potential for even greater conservation benefits) will likely be lost.

We continue to believe that, should USDA find itself with spending limits imposed by Congress on what by law is an entitlement program, that the logical response would be for USDA to continue to accept and approve applications for CSP benefits from farmers and ranchers on a contingent basis. As additional funding becomes available, the contracts and conservation plans first in line would be finalized and funded. This is an approach that has worked well with other USDA conservation programs, like the Wetlands Reserve Program.

Provide Adequate Payment Incentives

USDA, in implementing the CSP, has imposed limits on base payments, existing practice payments, and enhancement payments that are not part of the legislation, and that serve to reduce and distort the incentives available to farmers. Under the limits and formula adopted by USDA, farmers and ranchers would have to manage enormous farms or ranches to reach the maximum per-farm payments. Under that scheme, only the largest corporate and other farms will be eligible for maximum CSP payments.

Those huge farms could potentially reap those larger payments by implementing much less rigorous conservation efforts on a large number of acres, while family-scale farmers implementing much more rigorous conservation management would receive only limited payments. We believe the payment levels should be set so a typical family-farm scale operation could, through a comprehensive conservation effort, obtain the maximum rates payable under the law. No artificially low limits should be set beyond those already provided for in the law.

Congress also clearly intended for USDA, through the CSP, to provide incentives and support for a wide variety of beneficial conservation practices, and not to restrict the CSP to a handful of practices in each state, as USDA is doing through its administration

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of the program.

Rather than attempt to direct farmers and ranchers towards other USDA programs where demand already far exceeds available funding, USDA should use the CSP as the program of first resort, providing a broad variety of incentives under the umbrella of a single integrated conservation plan and single contract for each participant.

Farmers and ranchers ? and conservation and agriculture organizations who work with farmers ? have talked for years about the need for a single, ?whole farm plan? that would address the various natural resource issues of concern with a single, coordinated plan of conservation practices and systems. The CSP has the potential to do just that, yet USDA?s rules push farmers away from that goal by unnecessarily restricting the variety of practices eligible for funding, and providing cost-share and other rates below those provided for similar practices in other programs.

Reward Conservation Systems, Not Just Conservation Practices

Congress specifically directed that USDA provide enhancement payments for farmers and ranchers who have, or will, establish complex management systems that provide multiple benefits for natural resources. Systems like resource conserving crop rotations, management intensive grazing, conservation buffers, and organic production systems all provide tremendous potential for addressing natural resource concerns ranging from wildlife and soil quality to water quality and wetland protection. Farmers and ranchers who adopt those systems should be rewarded through the CSP with specific enhancement payments.

In setting relatively high payment rates for simple conservation tillage systems that have been fairly widely adopted (compared to payment rates for other practices and systems), USDA appears to be rewarding a single-practice approach to conservation. Management systems and practices that require more management, but yield much higher returns in providing multiple-resource benefits, should receive incentives that reflect their cost and their higher value to society.

Other practices that yield substantial natural resource benefits, but have not been widely adopted by farmers and ranchers, should also be provided with substantial incentives. Those include the conservation and regeneration of plant and animal germplasm, environmentally sound management of invasive species, sustainable agroforestry practices, native prairie conservation and restoration, and pollinator protection and habitat efforts.

We think USDA should also retain the enhancement payments for on-farm/ranch research and demonstration activities and for on-farm/ranch assessment and evaluation activities provided in the Interim Final Rule and ensure that these enhancement payments are provided for throughout the nation.

Set CSP Cost-Share Levels on Par With Other USDA Programs

The USDA?s proposed rules set a 50% cap on cost-share for new practices, even where that level is much less than other USDA programs would pay for the same practice. Intentionally driving farmers to other conservation programs makes little sense, because under the CSP the landowner will be providing a much higher level of overall conservation benefits through a comprehensive natural resource plan. USDA should remove the cap, and equalize cost-share rates across all USDA programs for similar practices.

USDA also ignores the need to provide additional incentives for beginning farmers and ranchers, who generally have less access to credit and assets and thus are less able to provide their share of the match.

USDA should provide for the 15% bonus on cost-share for beginning farmers and ranchers as was authorized and contemplated in the law.

Change the Criteria for Meeting Soil and Water Quality Standards

The CSP will, we hope, always be a program where there is tension between requiring farmers to do too little, and requiring farmers to do too much, for conservation. In that tension is the balance required between drawing farmers and ranchers into the program, and getting the most benefit for each taxpayer dollar. In requiring that farmers and ranchers meet specific soil and water quality standards before obtaining a CSP contract, USDA has

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gone too far to keep farmers out of the program. USDA should set high but obtainable quality standards to ensure the program results in real conservation benefits, but it should give farmers and ranchers a reasonable amount of time under the CSP contract to reach those standards (for example, by the second or third year of the contract). The provision is especially harmful given USDA's decision to implement the program on a rotating watershed basis. Farmers and ranchers who are close, but cannot currently meet those standards, could have to wait 8 years to get another shot at a CSP contract.

As Secretary Veneman has indicated, the goal of the CSP is the reward the best, and motivate the rest. The CSP as implemented by USDA needs to hold true to both of those promises.

As always, we would be delighted to answer questions about these comments.

Yours in Conservation,

Duane Hovorka

Duane Hovorka, Executive Director
Nebraska Wildlife Federation

Cc: Nebraska Congressional Delegation
Governor Mike Johanns
Other Interested Parties